

The government continued taking steps in 2014 to combat Liechtenstein's reputation as a tax haven. Authorities signed an agreement with the United States in May that obliges Liechtenstein's banks to share data on the accounts of U.S. taxpayers. The government also continued cooperating with the Organisation for Economic Co-operation and Development (OECD) on initiatives to facilitate the exchange of banking information.

Political Rights and Civil Liberties:

Political Rights: 39 / 40 [Key]

A. Electoral Process: 12 / 12

Liechtenstein has the most politically powerful unelected monarch in Europe. The prince, as the hereditary head of state, appoints the prime minister on the recommendation of Parliament and possesses the power to veto legislation and dismiss the government. In a 2003 referendum, voters approved a constitutional amendment granting significantly more power to the monarch. The unicameral Parliament (Landtag) consists of 25 deputies chosen by proportional representation every four years. Voting is compulsory.

In 2004, Prince Hans-Adam II handed his constitutional powers to his son, Hereditary Prince Alois, though the elder prince retained his title as head of state. In a July 2012 referendum, 76 percent of voters rejected a proposal by prodemocracy advocates to prohibit the monarch from vetoing decisions made by the public in national referendums. Alois had threatened to abdicate if the proposal passed.

In the February 2013 parliamentary elections, the Progressive Citizens' Party (FBP) won 40 percent of the vote and 10 seats, while the Fatherland Union (VU) was second with 33.5 percent and 8 seats. A new political grouping called the Independents (DU) took 15.3 percent and won 4 seats, capitalizing on public anger at austerity policies proposed by the government. The leftist Free List party took 11.1 percent, gaining 3 seats. The FBP's Adrian Hasler replaced the VU's Klaus Tschütscher as prime minister.

B. Political Pluralism and Participation: 15 / 16

Political parties can organize freely. The VU and the FBP, both conservative parties, have dominated politics over the last half-century; power last changed hands in 2013. The DU's strong debut in the 2013 elections marked the first time that four political groupings were represented in Parliament. No members of ethnic minorities hold a legislative seat.

C. Functioning of Government: 12 / 12

Politics and society are largely free of corruption. Although Liechtenstein is a leading offshore tax haven and has traditionally maintained tight bank secrecy laws, the government has made efforts in recent years to increase transparency in banking. In 2009, the principality agreed to comply with transparency and tax information-sharing standards as outlined by the OECD. In May 2014, Liechtenstein became a signatory to

the U.S Foreign Account Tax Compliance Act, which requires banks to share data on U.S. taxpayers' accounts or pay a withholding penalty.

In June, Liechtenstein's government announced that it had agreed to return €167 million (\$228 million) allegedly stolen from the Nigerian state by Sani Abacha, Nigeria's military ruler from 1993 to 1998. Nigerian authorities had first requested Liechtenstein's help with recouping the funds in 2000.

Civil Liberties: 59 / 60

D. Freedom of Expression and Belief: 16 / 16

The constitution guarantees the freedoms of expression and the press, but the law prohibits public insults directed against a race or ethnic group. Liechtenstein has one private television station, one privately held radio station, and two main newspapers that are roughly aligned with the major political parties; citizens have access to foreign broadcasting. Internet access is not restricted.

The constitution protects religious freedom, and the criminal code prohibits discrimination against any religion or its adherents. However, the constitution also establishes the Roman Catholic Church as the national church. Catholic or Protestant religious education is mandatory in all primary schools, but exemptions are routinely granted. Islamic religious classes have been offered in some primary schools since 2008. All religious groups are tax-exempt. The government respects academic freedom.

E. Associational and Organizational Rights: 12 / 12

Freedoms of assembly and association are protected, and the principality has one small trade union. A 2008 law gives civil servants the right to strike. Domestic and international nongovernmental organizations (NGOs) are able to function freely.

F. Rule of Law: 15 / 16

The judiciary is independent and impartial despite the power of the hereditary monarch to appoint judges. Due process is respected, and prison conditions meet international standards.

In April 2014, the chief executive of Bank Frick & Co. AG was killed in what was Liechtenstein's first homicide since 2011. The main suspect in the case, a fund manager who had reportedly been engaged in a long-running financial dispute with Bank Frick and the government, was found dead in Germany in August; he had apparently committed suicide.

A third of the population is foreign-born. Some native citizens have expressed concern over the growing number of immigrants from non-German-speaking countries, such as Turkey and Bosnia and Herzegovina. The government has responded by creating formal integration programs to teach recent immigrants the language and culture of Liechtenstein. Foreigners have occasionally been the target of violence by right-wing groups. The laws provide for the granting of asylum and refugee status.

G. Personal Autonomy and Individual Rights: 16 / 16

Women received the right to vote only in 1984 through a referendum. A gender salary gap persists, with women earning less than men for equal work. Abortion is legal in the first 12 weeks of pregnancy, but only if the mother's life is in danger or if she was under the age of 14 at the time of conception. Same-sex registered partnerships are legal.

A February 2013 report by the European Commission against Racism and Intolerance, a human rights body within the Council of Europe, cited "reports of discrimination in access to employment, as well as in remuneration" for immigrants.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z = Change from Previous Year

[Full Methodology](#)